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Responsible Officer: Infrastructure Strategy Manager

Document:

TITLE:	ASSET MANAGEMENT POLICY
AUTHORITY:	COUNCIL
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1. POLICY INTENT

To provide the overall framework for sustainable asset management throughout Cessnock City Council area ensuring that:

- ALL Assets are effectively and efficiently managed through the course of their life cycle;
- Community needs and expectations are satisfied;
- Legislative and regulatory requirements are met for asset management;
- Best value practices are incorporated in asset management strategies and implementation activities;
- Financial, social and environmental resources are used in a sustainable way;
- Exposure to risk is managed through the application of sound operational principles and practices; and
- There is continuous improvement in asset management and service delivery

2. SCOPE

This policy applies to Cessnock City Council, its employees and contractors and the creation, acquisition, operation, maintenance, rehabilitation and disposal of all its assets.

3. BACKGROUND AND SUPPORTING INFORMATION

Council owns and manages assets to support its core business of delivering services to the community. The majority of these assets include vital infrastructure such as roads, bridges, stormwater networks, buildings and recreational facilities. Other corporate assets include vehicle, plant and equipment fleets, IT hardware and software and general fixtures and fittings.

With an ageing asset stock and increasing demands for enhanced services it is important a more strategic framework is adopted for the sustainable management of these assets.

This Policy is a guideline that will be used to develop Council's Asset Management Plans and Strategies. The Asset Management Strategy is required to convert the strategic objectives and principles in this policy to execution. The strategy will detail a set of specific actions the organisation will undertake to improve and enhance Council's asset management capabilities.

4. POLICY STATEMENT

Cessnock City Council is committed to implementing and advancing sustainable asset management to the overall advantage of the organisation, the community and other relevant stakeholders and will put in place mechanisms that support the following strategic objectives:

Strategic Objectives

1. Ensure a consistent asset management strategy exists for implementing systematic asset management and appropriate asset management best-practice throughout all departments of Council.
2. Ensure long term financial plans are based on sound asset management plans.
3. Ensure projects and programs are evaluated and prioritised based on optimisation methods that achieve an economic sustainable level of asset management.
4. Ensure resources and operational capabilities are identified and responsibility for asset management is clearly identified.
5. Optimise resource utilisation and maximise service delivery (ensure that Council's assets are responsibly managed in a financially sound manner, to enable provision of appropriate levels of service delivery to the community, whilst sustaining use of available resources.) .
6. Council will continually monitor, audit and review its asset portfolio to ensure it is responsive to service delivery needs and meets the goals and targets set by Council.
7. Minimise Council's exposure to risk due to asset failures by implementing a risk management process that identifies, manages, and controls the residual risk associated with asset management.
8. Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.

5. References

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- Local Government Act 1993
 - AASB 116 Australian Financial Accounting Standards
 - Australian Infrastructure Financial Management Guidelines
 - NSW Government Strategic Management Guidelines
 - NSW Government Total Asset Management (TAM) Policy and Guidelines

- International Infrastructure Management Manual (IIMM)
- OH&S Act 2000 and OH&S Regulation 2001

6. **Review**

This policy will be monitored continuously to ensure its relevance in terms of community needs and expectations, Council goals and targets and statutory requirements.